

Message Text

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ACTION EUR-12

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TO SECSTATE WASHDC 3243
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AMEMBASSY OSLO
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E.O. 11652: N/A
TAGS: ELAB, SW
SUBJ: SWEDEN'S ON-AGAIN OFF-AGAIN LABOR NEGOTIATIONS

REF: STOCKHOLM 0747

1. SUMMARY: NATIONAL WAGE NEGOTIATIONS DEADLOCKED AGAIN ON MARCH 4, GOVERNMENT MEDIATORS HAVE BEEN NAMED TO TRY TO RESOLVE REMAINING DIFFERENCES OVER THE APPLICATION OF LOW WAGE ADDITIONS. A SETTLEMENT COULD COME MARCH 10, BUT GIVEN THE NATURE OF THE PROPOSED CONTRACT NECESSITATED BY SWEDEN'S DETERIORATING ECONOMY AND THE TRADE UNION LEADERS' ATTEMPT TO MINIMIZE THE SACRIFICE THEY REALIZE THEIR MEMBERS MUST MAKE, NEGOTIATIONS COULD DRAG ON FOR ADDITIONAL WEEKS OR MONTHS. END SUMMARY.

2. THE CRITICAL LABOR NEGOTIATIONS BETWEEN LO AND PTK REPRESENTING ALMOST ALL SWEDISH BLUE AND WHITE COLLAR WORKERS IN THE PRIVATE SECTOR AND SAF REPRESENTING SWEDISH INDUSTRY DEADLOCKED AGAIN ON MARCH 4. PTK HAS REACHED FULL AGREEMENT
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WITH SAF, LO'S NEGOTIATORS ALSO APPEARED TO HAVE REACHED AGREEMENT, BUT WHEN THEY TOOK THE LATEST SAF PROPOSAL TO THE "LARGE" NEGOTIATING COMMITTEE (A BODY MADE UP OF ONE ELECTED REPRESENTATIVE FROM EACH LO UNION) THEY WERE TURNED DOWN FLAT AND HAD TO RETURN TO TELL THE SAF SIDE THAT WHAT HAD LOOKED LIKE AN AGREEMENT WAS NOT AN AGREEMENT. AT THAT POINT NEGOTIATIONS BROKE OFF AGAIN.

3. THE DIFFERENCES BETWEEN LO AND SAF HAVE BEEN REDUCED TO A SINGLE ISSUE, THE QUESTION OF WHETHER THE LOW WAGE ADDITION WILL BE APPLIED TO THE LOWEST PAID WORKERS IN ALL SECTORS OR ONLY THOSE IN THE LOWEST WAGE INDUSTRIES. SAF FAVORS THE LATTER APPROACH IN AN ATTEMPT TO LIMIT WAGE DRIFT. LO, COMMITTED TO REDUCING WAGE DIFFERENTIALS IN ALL INDUSTRIES, INSISTS ON AN ACROSS-THE-BOARD APPLICATION OF THE LOW WAGE ADDITION.

4. ON MARCH 6 LO REQUESTED THAT GOVERNMENT MEDIATORS BE NAMED TO ASSIST IN RESOLVING THE IMPASS. LABOR MINISTER PER AHLMARK AS HIS LAST SIGNIFICANT ACT PRIOR TO HIS MARCH 7 RESIGNATION NAMED EXPERIENCED MEDIATOR BERTIL REHNBERG, DIRECTOR GENERAL OF THE POWERFUL LABOR MARKET BOARD, AND NEWCOMER BO JONAS SJONANDER, CHIEF OF THE GENERAL SUPPLEMENTARY PENSION FUNDS, TO ACT AS MEDIATORS. THE MEDIATORS IMMEDIATELY BEGAN MEETING WITH LO AND SAF TO SEE IF SOME COMMON GROUND FOR SETTLEMENT CAN NOT BE FOUND. AS OF MARCH 9 LO HAD NOT TAKEN THE NEXT STEP OF ISSUING STRIKE NOTICES AND SEEMS DETERMINED TO GIVE THE MEDIATORS AN OPPORTUNITY TO DO THEIR JOB.

5. COMMENT: WHAT APPEARS TO BE HAPPENING IS THAT SOME MEMBERS OF THE "LARGE" NEGOTIATING COMMITTEE HAVE SERIOUS MISGIVINGS ABOUT HOW THE RANK AND FILE IS GOING TO REACT TO A CONTRACT WHICH MAY RESULT IN A LOSS OF REAL WAGES FOR THE AVERAGE
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SWEDISH WORKER. THEIR STAFF ECONOMISTS HAVE CONVINCED THEM THAT IT MUST BE DONE IF THE SWEDISH ECONOMY IS TO BE RESCUED FROM ITS CURRENT DIFFICULTIES BUT THEIR TRADE UNIONIST HEARTS REBEL AT FORCING THIS SORT OF A SACRIFICE UPON THE MEMBER-SHIP. TO THOSE FROM THE HIGH WAGE SECTORS INSULT WAS ADDED TO INJURY BY SAF'S REFUSAL TO EXTEND THE LOW WAGE ADDITION TO THEIR INDUSTRIES. THE END IS NOT YET IN SIGHT.KENNEDY-MINOTT

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